

Department of Health and Human Resources

Health Care Authority

Mission

The Health Care Authority (HCA) will work with public and private sector entities to protect citizens from unreasonable increases in the cost of health care services; assure the collection, analysis, and dissemination of health-related information to citizens, providers, policy-makers, and other customers; promote appropriate distribution of health care services; promote quality in health care services; and promote the financial viability of the health care delivery system.

Operations

- Determine the average charges hospitals impose on patients.
- Determine if health facility capital expenditures are needed and are consistent with the state health plan criteria.
- Review and evaluate rural health systems program grant and/or loan applications, and prepare grant agreements.
- Collect, analyze, and disseminate health-related information to citizens, providers, policy-makers, and other customers.
- Administer responsibilities of leading the state in compliance efforts under HIPAA.
- Administer Uninsured Project under the federal Human Resources and Services Administration state planning grant with federal funds awarded.
- Use financial disclosure data to produce reports for the Governor, the Legislature, and other interested parties.
- Review and evaluate rural health systems program applications, and disburse approved funds.
- Collect, analyze, and disseminate health-related information, in serving as the state health-related data warehouse.

Goals/Objectives

Administer the rural health systems program and four statutory programs—Health Care Financial Disclosure Act, hospital rate review, certificate of need, and the state health plan.

- Constrain the rate of increase in health care costs within acute care hospitals through hospital rate review.
- Process all applications received within time frames established in rules, and prepare orders promptly through certificate of need.
- Update the state health plan through the efforts of health planning on an ongoing basis.
- Develop and revise standards for certificates of need to reflect changes in the health care industry on an ongoing basis.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Average inpatient hospital increase allowed *	6.76%	5.53%	6.18%	2.82%	6.18%	5.59%
Certificate of need applications received and processed	63	53	50	30	50	40
Excess HCA funds distributed to small rural health care providers (in millions)	\$0.59	\$0.58	\$0.50	\$0.66	\$0.50	\$0.65

* The average inpatient hospital rate increase allowed measures the aggregate percentage rate increase for hospitals who file standard increase requests in a given fiscal year. In 2005, a much smaller number of hospitals filed standard requests that impacted the percentage increase received (2.82%). The drop in standard requests was due to the revision to benchmarking, a streamlined methodology that gives automatic increases to hospitals who qualify. The revision resulted in many more hospitals being eligible for automatic increases. Automatic increases are not included in the performance measure.

Health Care Authority
Expenditures

	TOTAL FTE POSITIONS 11/30/2005	ACTUALS FY 2005	BUDGETED FY 2006	REQUESTED FY 2007	GOVERNOR'S RECOMMENDATION
EXPENDITURE BY PROGRAM					
Health Care Authority	47.00	\$5,513,927	\$8,746,608	\$7,527,083	
Less: Reappropriated		0	0	0	
TOTAL BY PROGRAM	47.00	5,513,927	8,746,608	7,527,083	7,567,491
EXPENDITURE BY FUND					
General Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		0	0	0	0
Less: Reappropriated		0	0	0	0
Subtotal: General Fund		0	0	0	0
Federal Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		283,756	200,000	200,000	200,000
Subtotal: Federal Fund		283,756	200,000	200,000	200,000
Appropriated Special Fund					
FTE Positions		41.00	43.00	43.00	43.00
Total Personal Services		1,700,425	2,243,904	2,209,704	2,243,904
Employee Benefits		485,615	688,250	682,042	688,250
Other Expenses		2,620,727	3,689,545	3,689,545	3,689,545
Less: Reappropriated		0	0	0	0
Subtotal: Appropriated Special Fund		4,806,767	6,621,699	6,581,291	6,621,699
Nonappropriated Special Fund					
FTE Positions		4.00	4.00	4.00	4.00
Total Personal Services		136,213	191,758	197,766	197,766
Employee Benefits		45,013	65,569	71,900	71,900
Other Expenses		242,178	1,667,582	476,126	476,126
Subtotal: Nonappropriated Special Fund		423,404	1,924,909	745,792	745,792
TOTAL FTE POSITIONS BY FUND		45.00	47.00	47.00	47.00
TOTAL EXPENDITURES BY FUND		\$5,513,927	\$8,746,608	\$7,527,083	\$7,567,491